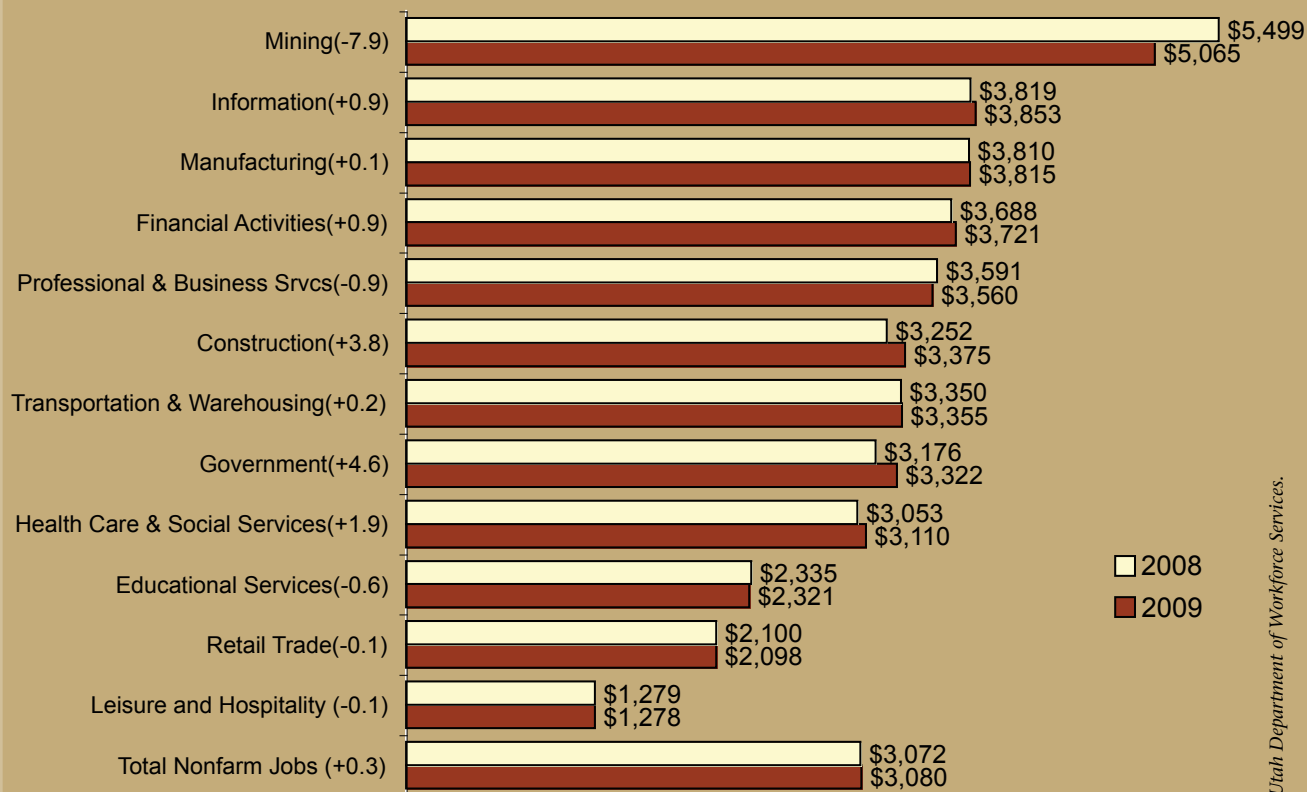




Average Monthly Wage by Industry in Utah 3rd Quarter 2008 and 3rd Quarter 2009



Note: Year-over percent change is in parentheses.

Source: Utah Department of Workforce Services.

Varied Effects of the Recession by Industry

Job losses were widespread with construction and manufacturing being the two most impacted industries. Only **healthcare, private education and government industries** continued to add jobs during this recession.

Utah has suffered the most severe job losses since the end of WWII. The effects of these difficult economic conditions have been felt across most industries in Utah with significant employment declines, reduced work hours, and lower household incomes.

Every quarter, Utah employers with a payroll submit employment counts and wages paid to the Department of Workforce Services in order to administer the unemployment insurance program. The most recent information available at this time is for the third quarter of 2009. These employer reports provide detail by industry of the effects on wages and employment during the recession of the past two years.

From the third quarter of 2007 to the third quarter of 2009, nonfarm payroll jobs have declined by 5.5 percent or a net reduction 69,500. Although job losses were widespread across most of Utah's industries, by far the greatest employment reductions have occurred in construction, where one-third of the jobs have been lost. Construction employers cut 35,400 jobs from their

payrolls over the past two years; a little more than half of all jobs eliminated statewide during this recession. Manufacturing is the second most-impacted industry with a reduction of 16,335 or 12.7 percent of jobs (see graph on job gains and losses).

The few industry sectors that continue to add jobs during this recession were healthcare, private education, and government. The majority of job gains in government are related to education—both local public kindergarten through twelfth grade, and state-financed higher education.

In 2006 and 2007, prior to the recession, total payroll wages paid to Utahns increased, on average, by 10.1 percent each year. For the last twelve months (ending in September 2009) total payroll wages were \$45.5 billion, or 3.1 percent less than the \$46.9 billion paid over twelve months ending in September 2008.

The average monthly wage in the third quarter of 2009 grew just 0.3 percent above that recorded in the third quarter of 2008. Over the previous 15 years,

the average monthly wage increased 3.7 percent per year.

The construction industry provides an interesting example of what can happen to per worker wages versus total industry wages during a recession. The average monthly wage per worker in the construction industry actually increased by 3.8 percent from third quarter 2008 to third quarter 2009, while total wages paid in the industry declined by 18.6 percent. The construction industry has lost many jobs, and the hours worked for many other workers have been reduced, particularly in residential construction. Many of the remaining construction jobs—highway, commercial, and other construction, are high-paying, full-time, and keep the average wage per worker still employed, fairly high.

As the economy moves now to a new period of growth, the effects of this recession on wages, employment, and household incomes will be felt over an extended period of time. Many structural changes that are not now evident will likely occur in the labor market in the coming years. ●